

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of

DELTA NATURAL GAS COMPANY, INC.)	
APPLICATION FOR ADJUSTMENT OF)	
RATES UNDER PURCHASED GAS)	CASE NO. 8256-F
ADJUSTMENT CLAUSE)	

O R D E R

On December 1, 1981, this Commission issued its order in Case No. 8256, approving certain adjustments in the rates of Delta Natural Gas Company, Inc., ("Delta") and providing under certain conditions for the further adjustments of rates when the wholesale cost of gas is increased, decreased or refunds are received.

On November 30, 1981, one of Delta's Suppliers, Tennessee Gas Pipeline Company ("Tennessee"), filed an application with FERC, Docket No. RP 82-12, requesting additional revenues to offset increases in their cost of service. The proposed effective date of the tariff sheets reflecting the requested revenue increase was January 1, 1982. On December 30, 1981, FERC accepted Tennessee's proposed rate increase for filing but suspended it for the full statutory period of five months. The proposed rates to become effective June 1, 1982, are reflected on Tennessee's Substitute Fourth Revised Tariff Sheet No. 20 and Substitute Third Revised Tariff Sheet No. 21.

The estimated annual net increase in revenue as a result of Delta's filing of May 7, 1982, is \$108,611 or \$0.0186 per Mcf.

Delta in compliance with its tariff and previous orders of this Commission, submitted with its notice certain information including verification of the rates and charges of its supplier.

After reviewing this evidence of record and being advised, the Commission is of the opinion and finds that:

(1) The Public Service Commission is being asked to approve a price increase already approved by the FERC when it granted Delta's supplier, Tennessee, a wholesale gas cost increase. We are of the opinion that failure to allow this increase to be passed through to its retail consumers on a timely basis would be unfair and unjust to Delta and would ultimately result in higher rates to their consumers in any event. The Commission has (in writing) indicated its opposition to the procedures and regulations used by the federal agency in approving these supplier increases since 1975. We continue to be opposed and are continuing to seek alternative ways to overcome the regulatory inequities which have such a direct impact on the retail consumers.

(2) Delta received from one of its suppliers, Tennessee, notification of a rate increase effective June 1, 1982.

(3) Delta's proposed to apply to its customers, effective June 1, 1982, the revised rates as set forth herein.

(4) Delta's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its order in Case No. 8256 dated December 1, 1981, is fair, just and reasonable in the public interest and should be effective with gas supplied on and after June 1, 1982, subject to refund.

IT IS THEREFORE ORDERED that the purchased gas adjustment sought by Delta as in Appendix A attached hereto and made a part hereof, be and is hereby approved to be effective with gas supplied on and after June 1, 1982, subject to refund.

IT IS FURTHER ORDERED that within 30 days after the date of this order, Delta shall file with this Commission its revised tariff sheets setting out the rates approved herein.

IT IS FURTHER ORDERED that the information furnished this Commission by Delta on May 7, 1982, constitutes full compliance with the Commission's requirement and order in Case No. 8256 and any other information ordinarily required to be filed under this Commission's regulations is hereby waived.

Done at Frankfort, Kentucky, this 18th day of May, 1982.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary

APPENDIX A
APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 8256-F DATED MAY 18,
1982

The following rates and charges are prescribed for the customers in the areas served by Delta Natural Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the date of this order.

RATE SCHEDULE G - GENERAL SERVICE

APPLICABILITY:

Applicable within all service areas served by Delta, namely: Owingsville, Sharpsburg, Bath County, Camargo, Montgomery County, Frenchburg, Menifee County, Kingston-Terrill, Madison County, Stanton, Clay City, Powell County, Garrard County, Berea, Salt Lick, Midland, Nicholasville, Wilmore, Jessamine County, Jeffersonville, Clearfield, Farmers, Rowan County, Middlesboro, Pineville, Bell County, Barbourville, Knox County, Williamsburg, Whitley County, London, Laurel County, and environs of each.

AVAILABILITY:

Available for general use by residential, commercial and industrial customers.

CHARACTER OF SERVICE:

Firm--with the reasonable limits of the company's capability to provide such service.

RATES:

General Service--

Monthly Customer Charge - \$2.75 per delivery point per month.

1 - 5,000 Mcf	\$4.8013
5,001 - 10,000 Mcf	4.5513
Over - 10,000 Mcf	4.3013

Interruptible--

1 - 5,000 Mcf	\$4.5513
5,001 - 10,000 Mcf	4.3013
Over - 10,000 Mcf	4.0513

PURCHASED GAS ADJUSTMENT

Delta Natural Gas Company

Applicable to all rate schedules

The base rate for purchased gas for the future application of this Purchased Gas Adjustment Clause is:

<u>Supplier</u>	<u>Rate/Mcf or DTH</u>
Columbia Gas Transmission Corporation	
Rate Schedule CDS	
Demand (DTH)	\$3.08
Commodity (DTH)	3.6077
Rate Schedule SGS (DTH)	\$3.8102
Columbia LNG Corporation	5.4553*

*Includes Transportation Charge of \$0.3503

Tennessee Gas Pipeline Company	
Gas Rate (DTH)	\$2.7022
Commodity	0.7669
Graham-Michaelis Corporation	\$2.00
Flat Lick	\$0.35
Evans	0.94
Wiehoff	1.39
Hall-Martin	0.40
Goff	0.40
Weaver	1.84
Martin Energy Company	1.75
Laurel Valley	3.2096
Wiser Oil Company	2.6355
Al J. Keyser	1.50
L P Energy	2.00
Storage	0.8479